

THE SEMICONDUCTOR  
INVESTMENT ACT OF 1995

**HON. NANCY L. JOHNSON**

OF CONNECTICUT  
IN THE HOUSE OF REPRESENTATIVES  
*Monday, February 27, 1995*

Mrs. JOHNSON of Connecticut. Mr. Speaker, today I am pleased to join my Ways and Means Committee colleagues, Representatives ROBERT MATSUI, PHIL CRANE, and BARBARA KENNELLY, as well as Congresswoman ANNA ESHOO, in introducing the Semiconductor Investment Act of 1995. This legislation will enhance the international competitiveness of the U.S. semiconductor industry by changing the statutory life of semiconductor manufacturing equipment to more accurately reflect the industry's rapid pace of technological change. This change in the tax depreciable life of semiconductor manufacturing equipment from 5 years to 3 years will enable U.S. semiconductor manufacturers to recover capital costs incurred in maintaining state-of-the-art facilities over a period that more closely approximates economic life.

Semiconductors are at the core of all aspects of the information highway. They drive technological advances in computers, telecommunications and consumer electronics, and change our society in ways ranging from telecommuting to electronic banking to promoting citizen access to legislation through the Internet. Semiconductors are at the heart of the \$500 billion U.S. electronics industry that employs more than 2 million Americans. The U.S. semiconductor industry alone provides over 200,000 high-skilled American jobs and has recently regained its position as the world's leading producer of chips. It is a highly capital intensive industry that demands continuing changes to manufacturing infrastructure.

This dynamic industry is based on ever-evolving technology. The rapid pace of technological change makes semiconductor manufacturing equipment obsolete, technologically and economically, soon after being placed into service. Recent economic studies and normal business practices indicate that such equipment should qualify for a 3-year depreciable life under tax depreciation rules because two-thirds of the equipment's economic usefulness is exhausted in the first 2 years and the equipment's full economic life is less than 4 years. However, current U.S. tax rules depreciate semiconductor manufacturing equipment over 5 years, a period significantly longer than the equipment's true economic life. As a result, the U.S. semiconductor industry is at a competitive disadvantage with foreign firms whose cost recovery rules more accurately reflect economic reality.

Japanese semiconductor producers, for example, may depreciate up to 88 percent of their manufacturing equipment in the first year. U.S. producers, on the other hand, may depreciate only 20 percent in the first year. Thus, existing U.S. cost recovery rules are a key factor in determining whether firms build new plants in the United States or overseas. In view of the fact that the global semiconductor industry is expected to invest \$120 billion in capital expenditures during the remainder of this decade, we need more accurate cost recovery rules to ensure that much of that investment is made here—not overseas.

To compete in today's global market, our domestic manufacturers must be able to recover the cost of their capital investments in a timely manner. Reducing the depreciable life of semiconductor manufacturing equipment to 3 years will enable U.S. semiconductor manufacturers to invest the capital needed to keep pace with rapid technological changes and strengthen their international competitiveness.

Mr. Speaker, it is my hope that, as the Committee on Ways and Means reviews the operation of the existing cost recovery rules in the context of the Contract With America, we may have the opportunity to update this narrow, but economically significant, aspect of our cost recovery rules. I urge my colleagues to join us as sponsors of this initiative to keep the United States the home of cutting-edge semiconductor technology.

REGULATORY TRANSITION ACT OF  
1995

SPEECH OF

**HON. NANCY PELOSI**

OF CALIFORNIA  
IN THE HOUSE OF REPRESENTATIVES  
*Thursday, February 23, 1995*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 450), to ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions, and for other purposes:

Ms. PELOSI. Mr. Chairman: I rise today in strong opposition to H.R. 450, the Regulatory Transition Act. This is an ill-conceived bill with unknown and unintended consequences. For example, this bill could halt trade sanctions against China if passed in its current form.

Health and safety regulations are also at risk. Passage of this bill could result in another outbreak of the E. coli bacteria if food inspection regulations are not implemented.

In addition, testing standards for urban water supplies would also be endangered, possibly resulting in another outbreak of cryptosporidium which contaminated the water supplies of Washington, DC and Milwaukee.

Mr. Chairman, regulations need to be reformed, not eliminated. This bill poses a serious threat to the health and safety of all Americans.

The enormously broad scope of H.R. 450 represents an assault on one of the basic functions of the Federal Government—protecting public safety and health.

In calling for a regulatory time-out on things like consumer, worker, and environmental protections, the Republican extremists are attempting to dismantle some of our Nation's most critical health and safety standards and protections.

I urge my colleagues to oppose this legislation.

TRIBUTE TO DR. CHARLES W.  
JENSEN III

**HON. CHRISTOPHER SHAYS**

OF CONNECTICUT  
IN THE HOUSE OF REPRESENTATIVES  
*Monday, February 27, 1995*

Mr. SHAYS. Mr. Speaker, I would like to take this opportunity to extend my con-

lences to the Jensen family of Riverside, CT, for the loss of their son and brother. Dr. Charles W. Jensen III, 34, a doctor of dental medicine in Greenwich, CT, who died suddenly last Monday morning at his office in Greenwich.

A resident of Stamford, he previously lived in Greenwich and Darien. He had been practicing dentistry for almost 8 years and had just taken over the practice from his father, who retired at the end of December.

Dr. Jensen was an avid sportsman whose special interest was sports fishing. His other interests were softball and golf, and he was a member of the Innis Arden Golf Club.

Born August 24, 1960, in Goldsboro, NC, he moved to Greenwich when he was a year old. He was a 1979 graduate of Greenwich High School, graduated magna cum laude from Fairleigh Dickinson University and was a 1987 graduate of the University of Connecticut Dental School. He was a member of the American Dental Association, the Connecticut State Dental Association, and the Greenwich Dental Society.

In addition to his father, he is survived by his mother, Rachel Vuono Jensen of Riverside; three brothers, James S. Jensen of Silver Spring, MD, Thomas F. Jensen of San Ramon, CA, and Daniel T. Jensen of Riverside; two sisters, Mary Beth Jensen of Park City, UT, and Kathleen Bellissimo of Los Altos, CA; and his girlfriend, Rachel Gregg, of New Canaan, CT.

Charlie will always be remembered as a genial, engaging person of rock solid integrity. The very mention of his name elicited a warm smile and a laugh from all those who knew him. Whether fishing off the shores of Nantucket, boating on Long Island Sound, or caring for his patients in the dental office, Charlie will always be remembered as a wonderful brother, trustworthy friend, and a dedicated professional.

John W. Moffly IV, a long-time friend of the Jensen family, recently stated, "I so much admired Charlie, not only as a professional, but as a person \* \* \* he took such great interest in his patients that I never had a single doubt that whatever the problem, he would find the right solution \* \* \* certain doctors rise above the norm and earn special recognition for their talent, dedication and humanity. This was Charlie."

Mr. Speaker, Dr. Charles W. Jensen III will be very, very missed.

TRIBUTE TO LES T. DAVIS

**HON. DAVID R. OBEY**

OF WISCONSIN  
IN THE HOUSE OF REPRESENTATIVES  
*Monday, February 27, 1995*

Mr. OBEY. Mr. Speaker, I want to take this opportunity to bring to my colleagues' attention the work of a true pioneer in the field of